

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING ERRATA TO
TESTIMONY AND INTERROGATORY RESPONSES OF WITNESS XIE
(USPS-T-1, UPS/USPS-T1-47-49, FGFS/USPS-T1-15)
(May 1, 2000)

The United States Postal Service hereby provides notice and copies of minor errata for the testimony and certain interrogatory responses of witness Xie, USPS-T-1. The need to delete reported sums of upper and lower confidence limits reported in the testimony's tables was identified by CRPA/USPS-T1-5. Interrogatories UPS/USPS-T1-47-49 referenced the term "Exceptional contract" while the correct term should have been "Exceptional Service". The response to FGFS/USPS-T1-15(a) should simply have been "confirmed" rather than also being conditioned on certain postal quarters.

Corrected pages are attached; each also reflects today as the date of revision.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE
TO INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-T1-47. Does the Highway Pay Master File data used in the TRACS Highway Subsystem (USPS-LR-I-52) include data on Emergency and Exceptional contracts?

RESPONSE.

It includes data on Emergency contracts but not the Exceptional Service.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE
TO INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-T1-48. Does the Highway Contract Support System data used in the TRACS Highway Subsystem (USPS-LR-I-52) include data on Emergency and Exceptional contracts?

RESPONSE.

It includes data on Emergency contracts, but not on Exceptional Service

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE
TO INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-T1-49. Does the National Air and Surface System data used in the TRACS Highway Subsystem (USPS-LR-I-52) include data on Emergency and Exceptional contracts?

RESPONSE.

It includes data on Emergency contracts, but not on Exceptional Service.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE
TO INTERROGATORIES OF FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION**

FGFSA/USPS-T1-15. (a) Confirm that, for Intra-BMC contracts, the samples allocated to each stratum are:

Inbound BMC	41%
Inbound SCF	8%
Inbound Other	2%
Outbound SCF	41%
Outbound Other	8%

(b) Confirm that, for Inter-BMC contracts, the samples allocated to each stratum are:

BMC	75%
SCF	23%
Other	2%

(c) Explain how each percentage was determined.

(d) Explain the extent to which the total mail volume each direction was taken into account in selection of the samples allocated to each stratum.

RESPONSE.

(a) Confirmed.

(b) Confirmed.

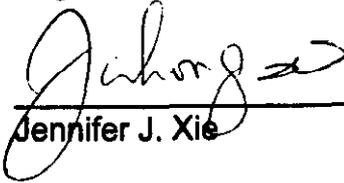
(c) These percentages are based on historical precedent. We changed the Intra-BMC allocation to alleviate a concern expressed in R97-1 about the imbalance in sample sizes between the inbound and the outbound routes. The Inter-BMC allocation is the same as was used in BY96. The allocation of tests between strata only affects the precision (variance or coefficients of variation) of the estimates, and does not affect the accuracy (bias) of the estimates. The Horvitz -Thompson type of estimator we used properly reflects the selection probabilities, and produces unbiased estimates for the cubic-foot-mile numbers used in the distribution key calculation.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE
TO INTERROGATORIES OF FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION**

(d). I am uncertain of the extent to which mail volume moving in each direction was taken into account in the original, historical allocations took the amount of mail available for sampling into consideration. See my response to USP/USPS-T1-36 (d) for an explanation on the small percent of samples allocated to the strata that are composed of non-BMC and non-SCF stops.

DECLARATION

I, Jennifer J. Xie, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.



Jennifer J. Xie

Date: May 1, 2000

Revised 5/1/2000

Table 1. BY98 Inter-BMC Highway Costs and Confidence Intervals

Mail Category	CV	Lower 95% C.L. (\$1,000)	Cost (\$1,000)	Upper 95% C.L. (\$1,000)
1C Single-Piece Letters	0.136	9,012	12,284	15,555
1C Presort Letters	0.152	3,691	5,260	6,830
1C Single-Piece Cards	0.371	70	257	444
1C Presort Cards	0.504	4	298	591
Priority Mail	0.135	5,940	8,067	10,195
Express Mail	0.350	15	47	80
2C Periodicals	0.064	43,394	49,585	55,777
3C Single Piece Rate	0.243	4,392	8,379	12,366
3C Comm Std ECR	0.137	5,616	7,672	9,728
3C Comm Std Reg	0.070	52,046	60,350	68,654
3C Nonprofit ECR	0.241	672	1,277	1,881
3C Nonprofit Other	0.096	7,647	9,429	11,210
4C Parcels Zone Rate	0.053	54,526	60,867	67,208
4C Bound Printed Matter	0.084	9,533	11,406	13,278
4C Special Std	0.078	15,151	17,898	20,645
4C Library Mail	0.129	2,206	2,951	3,695
4C USPS Penalty	0.310	243	619	994
Free for the Blind	0.389	73	308	543
International	0.228	1,280	2,318	3,356
Total			259,271	

Revised 5/1/2000

Table 2. BY98 Intra-BMC Highway Costs and Confidence Intervals

Mail Category	CV	Lower 95% C.L. (\$1,000)	Cost (\$1,000)	Upper 95% C.L. (\$1,000)
1C Single-Piece Letters	0.110	13,397	17,089	20,781
1C Presort Letters	0.131	6,408	8,621	10,834
1C Single-Piece Cards	0.392	124	536	947
1C Presort Cards	0.535	-	200	410
Priority Mail	0.106	14,694	18,531	22,368
Express Mail	0.328	538	1,507	2,475
2C Periodicals	0.094	24,335	29,799	35,264
3C Single Piece Rate	0.165	3,240	4,782	6,325
3C Comm Std ECR	0.158	5,153	7,455	9,757
3C Comm Std Reg	0.082	39,286	46,767	54,248
3C Nonprofit ECR	0.429	118	738	1,358
3C Nonprofit Other	0.162	6,031	8,847	11,664
4C Parcels Zone Rate	0.053	77,379	86,355	95,330
4C Bound Printed Matter	0.088	13,314	16,087	18,859
4C Special Std	0.083	12,438	14,850	17,261
4C Library Mail	0.178	1,940	2,980	4,021
4C USPS Penalty	0.468	73	876	1,680
Free for the Blind	0.312	265	682	1,100
International	0.277	1,046	2,287	3,527
Total			268,989	

Revised 5/1/2000

Table 3. BY98 Inter-SCF Highway Costs and Confidence Intervals

Mail Category	CV	Lower 95% C.L. (\$1,000)	Cost (\$1,000)	Upper 95% C.L. (\$1,000)
1C Single-Piece Letters	0.052	96,566	107,482	118,399
1C Presort Letters	0.122	38,153	50,178	62,203
1C Single-Piece Cards	0.338	720	2,138	3,555
1C Presort Cards	0.484	70	1,372	2,675
Priority Mail	0.064	83,101	94,952	106,804
Express Mail	0.171	7,330	11,034	14,738
2C Periodicals	0.089	44,818	54,351	63,884
3C Single Piece Rate	0.332	2,804	8,048	13,292
3C Comm Std ECR	0.239	2,629	4,940	7,251
3C Comm Std Reg	0.134	21,709	29,446	37,183
3C Nonprofit ECR	0.664	-	1,381	3,177
3C Nonprofit Other	0.217	3,701	6,449	9,198
4C Parcels Zone Rate	0.132	15,341	20,711	26,080
4C Bound Printed Matter	0.265	2,252	4,677	7,101
4C Special Std	0.193	1,602	2,578	3,555
4C Library Mail	0.343	587	1,790	2,992
4C USPS Penalty	0.466	53	608	1,163
Free for the Blind	0.392	414	1,783	3,152
International	0.305	2,176	5,419	8,663
Total			409,337	

Revised 5/1/2000

Table 4. BY98 Intra-SCF Highway Costs and Confidence Intervals

Mail Category	CV	Lower 95% C.L. (\$1,000)	Cost (\$1,000)	Upper 95% C.L. (\$1,000)
1C Single-Piece Letters	0.056	94,190	105,912	117,635
1C Presort Letters	0.103	22,737	28,504	34,270
1C Single-Piece Cards	0.160	965	1,404	1,844
1C Presort Cards	0.231	362	660	959
Priority Mail	0.062	83,196	94,742	106,289
Express Mail	0.180	14,332	22,142	29,952
2C Periodicals	0.068	48,829	56,345	63,861
3C Single Piece Rate	0.333	1,099	3,155	5,211
3C Comm Std ECR	0.184	15,249	23,875	32,501
3C Comm Std Reg	0.100	46,050	57,321	68,592
3C Nonprofit ECR	0.413	236	1,234	2,232
3C Nonprofit Other	0.170	5,848	8,758	11,668
4C Parcels Zone Rate	0.085	56,087	67,240	78,394
4C Bound Printed Matter	0.166	8,921	13,226	17,531
4C Special Std	0.196	6,082	9,873	13,665
4C Library Mail	0.362	605	2,078	3,551
4C USPS Penalty	0.188	565	894	1,222
Free for the Blind	0.335	405	1,178	1,951
International	0.259	1,609	3,273	4,937
Total			501,814	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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